

SENATE RESOLUTION 132

By Finney

A RESOLUTION to direct the bureau of TennCare to report to the Senate concerning the Annual Coverage Assessment Act for hospitals.

WHEREAS, as the General Assembly enacts the Annual Coverage Assessment Act of 2014 [Senate Bill 1908/House Bill 1950], the State of Tennessee prepares to use a financing mechanism that has been enacted on an annual basis since 2010 in order to fund the TennCare program and avoid budget cuts to Tennessee's Medicaid program; and

WHEREAS, the Fiscal Review Committee estimates that the Annual Assessment Act of 2014 will generate \$449,800,000 in state revenue; and

WHEREAS, hospitals and health care providers and institutions across the state are significantly affected by the budget of the TennCare program and the possibility of significant budget reductions to that program; and

WHEREAS, the coverage assessment as a financing mechanism plays a critical role in balancing the annual budget for the State of Tennessee, yet it is a mechanism that needs to be better understood by lawmakers and citizens; and

WHEREAS, the expertise of the bureau of TennCare could be of significant benefit in enhancing understanding of the coverage assessment as a critical financing mechanism by lawmakers and citizens, so it is exceedingly appropriate that the bureau prepare a report to the Senate that accurately describes the operation of the assessment and policy issues related to the coverage assessment's operation; now, therefore,

BE IT RESOLVED BY THE SENATE OF THE ONE HUNDRED EIGHTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, that the bureau of TennCare is directed to report in writing to the entire membership of the Senate within sixty (60) days concerning the

following issues and questions presented by the annual enactment and operation of the annual coverage assessment for hospitals:

(1) Describe how the annual coverage assessment base and the associated base year is determined and how it may have changed since the original enactment of the assessment in 2010;

(2) Describe the factors used in determining the assessment rate and detail changes in the rate since 2010;

(3) Describe the effects of possible changes in the assessment rate, with attention to likely consequences of various incremental increases or reductions in the rate for 2015 and 2016 as well as for each previous year the assessment has been in effect;

(4) Describe the benefits and services funded by the assessment and identify any changes to those benefits and services since 2010;

(5) Identify the number of hospitals participating in the assessment and detail any changes in that number since 2010;

(6) Describe the policies and budget factors that were involved in the original enactment of the assessment and that are involved in any continuing need for the assessment;

(7) Forecast how long into the future that annual coverage assessment legislation may be reasonably required and discuss any factors that would argue for making the assessment permanent as opposed to continuing on an annual basis for renewal; and

(8) Discuss any limits to or issues present concerning the continued use of this form of provider-based financing that are present in federal law.

BE IT FURTHER RESOLVED, that appropriate copies of this resolution be transmitted to the commissioner of finance and administration and the deputy commissioner responsible for administration of the bureau of TennCare with this final clause omitted from such copies.